beyond payment

# H1 2008 results
# Actions and Performance

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# Review of activities H1 2008

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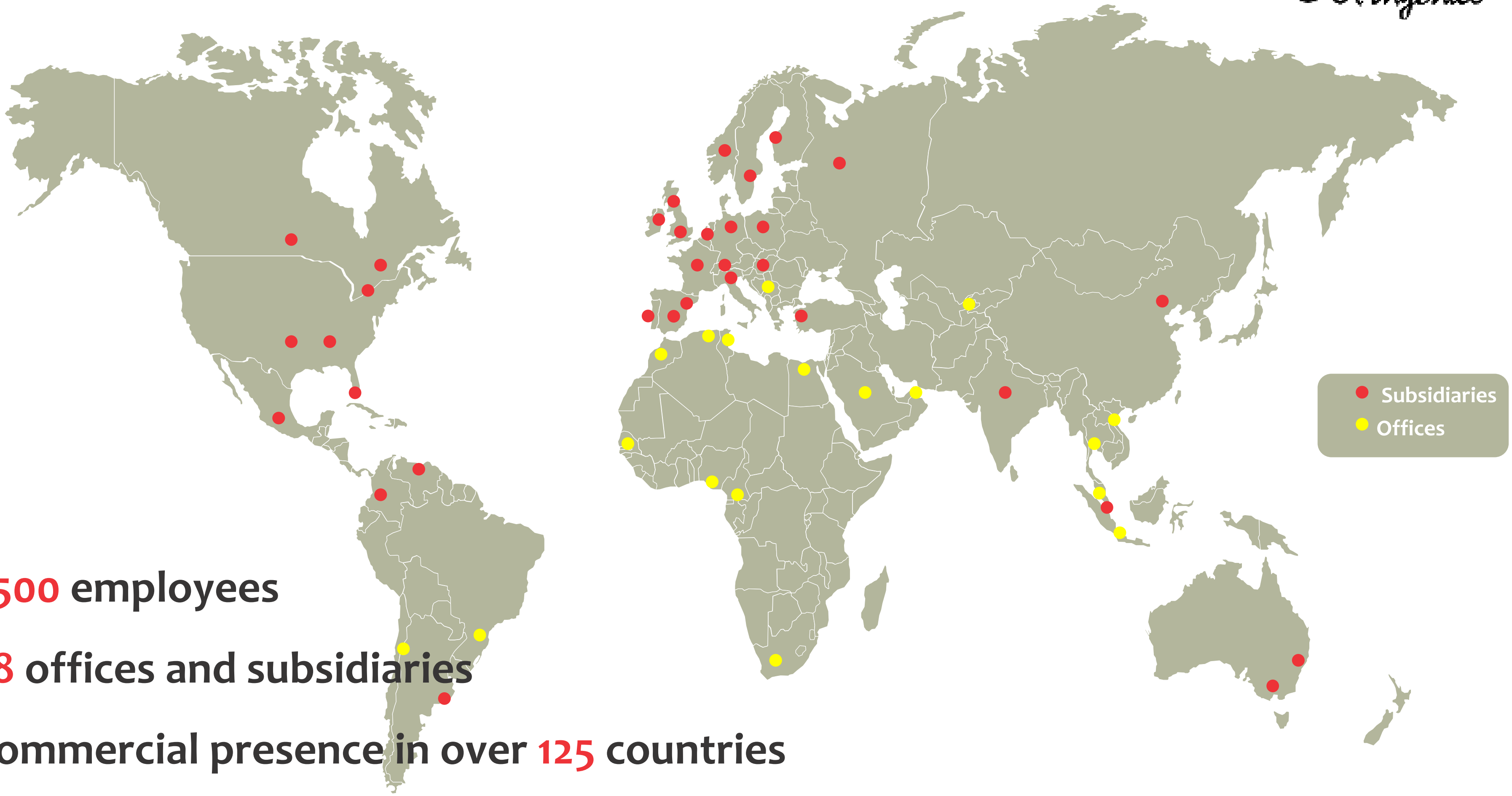
# Ingenico worldwide




**2500 employees**

**38 offices and subsidiaries**

**Commercial presence in over 125 countries**

**15 million active payment terminals (over 1/3 of installed base)**

# Highlights of H1 2008

- Very good financial performances with a continued improvement in operating margin
- A stronger international position with a promising acquisition in China, positioning Ingenico as leader in the region, major commercial wins and market share gains
- Integration of Sagem Monetel well on track
- Launch of internal projects to reinforce Ingenico worldwide leadership

# A robust performance in H1 2008

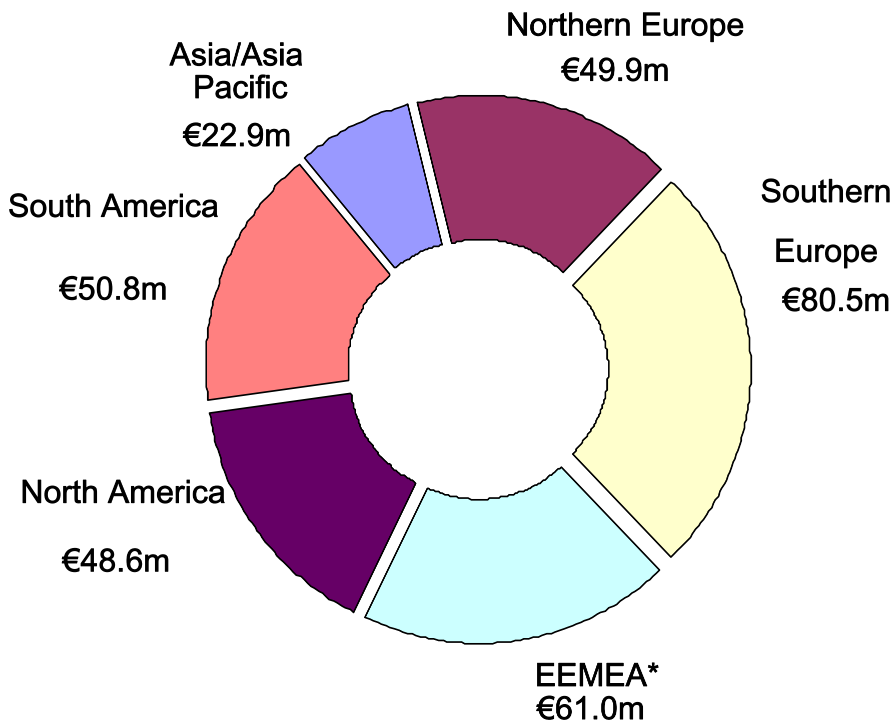
- First-half revenue up 24% at constant exchange rates and 10% like-for-like and at constant exchange rates
- Significant improvement in gross margin to 37.2%, versus 34.5% in the first half of 2007*
- Sharp growth in EBIT, up 41.3% to €33.5m, with a margin of 10.7% in the first half
- Exceptional net cash position due primarily to profitability and control over WCR

* Before the impact of entries linked to acquisitions and primarily of Sagem Monetel

# Growth in revenue: + 24% (at constant exchange rates)

*Geographical breakdown of H1 2008 revenue*:*

*€313.8 million*




| | % change at constant exchange rates | % change proforma** |
|---|---|---|
| Asia/Asia Pacific | 19% | 6% |
| Northern Europe | 20% | 6% |
| Southern Europe | 14% | (5%) |
| EEMEA* | 130% | 83% |
| North America | 18% | 11% |
| South America | (3%) | (9%) |
| Total | 24% | 10% |

***Sales are shown on the basis of the invoicing company, except for the EEMEA zone (Eastern Europe, Middle East, Africa) where sales are restated, since the bulk of invoicing is done from France.***

***** At constant rate***

# Integration of Sagem well on track

- Generation of significant synergies over three years, visible from H2 2008
- Reduction in product costs
- Pooling know-how in R&D
- Combining commercial networks
- Harmonizing product ranges
- First product FROM a new range at end 2008

# Several in-house workshops to reinforce our leadership

- Workshop 1: Develop an innovative, comprehensive range of payment terminals
- Workshop 2: Develop dedicated major services and solutions for global accounts
- Workshop 3: Optimise quality and customer support
- Workshop 4: Improve visibility and maximize value of the Ingenico group

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# Financial results H1 2008

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# Basis of presentation of financial information for H1 2008 results

- The accounting treatment of acquisitions and, in first place particular, Sagem Monetel, in accordance with IFRS 3 has a substantial impact on Ingenico's financial statements
- For better appreciation of the Group's performance, some data or aggregates presented hereafter are calculated on an adjusted basis

# High profitability

| €m | H1 2007 adjusted | H1 2008 adjusted | % change (1) |
|---|---|---|---|
| Sales | 260.1 | 313.8 | +21% |
| Cost of sales | (170.3) | (196.9) | |
| Gross margin | 89.8 | 116.9 | +30% |
| | 34.5% | 37.2% | +2.7bp |
| R&D | (19.3) | (26.5) | |
| Sales & Marketing | (17.6) | (21.0) | |
| G&A | (29.3) | (35.9) | |
| Operating profit from ordinary activities | 23.7 | 33.5 | +41% |
| % of sales | 9.1% | 10.7% | +1.6bp |

# Ebitda also up strongly

| | 2007 | 2008 |
|---|---|---|
| Sales | 260.1 | 313.8 |
| Operating profit from ordinary activities adjusted | 23.7 | 33.5 |
| Depreciation and amortization * | 10.5 | 12.4 |
| Share-based payments | 3.1 | 4.4 |
| EBITDA adjusted | 37.3<br>14.3% | 50.3<br>16% |

* Depreciation and amortization impacting operating profit from ordinary activities

# Information concerning allocation of purchase price of Sagem Monetel, MoneyLine, Planet

| Nature | Gross amounts | Depreciation period | Depreciation H1 2008 |
|---|---|---|---|
| Portfolio of customers | 36.6 | 10 years | 0.9 |
| Hardware technology | 11.6 | 3 years | 1.0 |
| Software technology | 5.8 | 3 years | 0.5 |
| Hardware & Software technologies in R&D process | 17.2 | 5 years | - |
| Software applications | 11.3 | 5 years | 0.6 |
| Fair value of intangible assets | 82.5 | | 3.0 |
| Inventories | 5.6 | 3 months | 5.6 |
| Other | | | 0.4 |
| **Effect of PPA Sagem Monetel** | | | **9.0** |
| MoneyLine and Planet | | | 0.9 |
| **Total** | | | **9.9** |

# 2007/2008 proforma

Reminder:

The proforma data for the first half of 2008 established on the basis of instructions no. 2005-11 and no. 2007-05 of the AMF, ruling 809/2004 of the European Commission and in accordance with the recommendations of the CESR are shown in appendix 18 of the published accounts

The data below, as for the adjusted data presented in slide 10 are shown before the effect of the allocation of the purchase price of Sagem Monetel, MoneyLine and Planet

| Adjusted figures | H1 2007 | H1 2008 | |
|---|---|---|---|
| Sales | 342 | 366.6 | +10%* |
| Gross margin | 118.3 | 134.4 | |
| OPEX | (85.2) | (94.2) | |
| Operating profit from ordinary activities | 33.1<br>9.7% | 40.2<br>11% | +21% |

* At constant rate

# Trends in gross margin

| Management data | H1 2007 | H1 2008 |
|---|---|---|
| Sales of terminals | 207.5 | 252.4 |
| Gross margin terminals | 98.2 | 117.3 |
| *% of sales* | ***47.3%*** | ***46.5%*** |
| Sales software & services | 52.6 | 61.4 |
| Gross margin software & services | 13.8 | 23.1 |
| *% of sales* | ***26.2%*** | ***37.6%*** |
| Indirect costs | (22.2) | (23.5) |
| *% of sales* | *(8.5%)* | *(7.5%)* |
| **Total gross margin*** | **89.8**<br>**34.5%** | **116.9***<br>**37.2%** |

**Sagem Integration (1.8%)**
**Other savings 1%**

**Quality & mix improvement**

Sagem Integration +0.5%
Ingenico savings +0.5%

* Before impact, in 2008, of accounting entry for Sagem Monetel inventories at resale value (€5.6m)

# Income statement under IFRS for H1 2008

| €m | H1 2007 statutory | H1 2008 statutory |
|---|---|---|
| Sales | 260.1 | 313.8 |
| Cost of sales | (170.3) | (202.5) |
| Gross margin | 89.8 | 111.3 |
| | 34.5% | 35.5% |
| R&D | (19.3) | (28.6) |
| Sales & Marketing | (18.2) | (23.2) |
| G&A | (29.3) | (35.9) |
| Operating profit from ordinary activities | 23.1 | 23.6 |
| % of sales | 8.9% | 7.5% |

# Net profit

| €m | H1 2007 | H1 2008 |
|---|---|---|
| Operating profit from ordinary activities | 23.1 | 23.6 |
| Other operating income and expenses | (2.4) | (8.0) |
| Operating profit | 20.7 | 15.7 |
| Financial result | (2.9) | (2.3) |
| Taxation | (5.4) | (4.2) |
| Net profit | 12.4 | 9.3 |
| *Net profit before impact of merger-related and restructuring expenses* | 15.4 | 20.7 |

+34.4%

# Non-recurring items

| Non-recurring items in €m | H1 2007 | H1 2008 |
|---|---|---|
| Restructuring | (3.9) | (7.6) |
| Disposal of subsidiaries/activities | 2,0 | (0,5) |
| Disputes / Quality problems | (0.5) | 0.1 |
| Other | 0 | |
| TOTAL | (2.4) | (8.0) |

o.w. €6m for the Barcelona center

# H1 2008 – Cash flow statement (restated)

| €m | H1 2007 | H1 2008 | Change |
|---|---|---|---|
| Cash flow from operations before WCR | 26.2 | 13 | (13.2) |
| WCR | (10.2) | 17.7 | 27.9 |
| Cash flow after WCR | 16.0 | 30.7 | 14.7 |
| CAPEX | (6.2) | (7.9) | (1.7) |
| Cash flow after CAPEX | 9.8 | 22.8 | 13 |
| Change in scope of consolidation (subsidiaries/activities)* | 3.3 | 0.7 | N/A |
| Capital increase | 3.5 | --- | N/A |
| Dividends | (3.2) | (10.8) | (7.6) |
| Purchase of own shares and Océane | --- | (14.2) | (14.2) |
| Océane (purchase/conversion) | --- | 58 | N/A |
| Exchange gains/losses and other | 5.0 | 3.5 | N/A |
| (Debt reduction) | (18.4) | (60) | |
| (Net debt)/net cash on June 30 2008 | (14.4) | 57 | |

* Includes cash acquired at Sagem Monetel (€20m) less inflows allocated to the operation (including expenses) and outflows for the acquisition of 55% of Landi

# H1 2008 – Trends in shareholders' equity & debt

| | €m |
|---|---|
| On January 1, 2008 | 195.9 |
| H1 results | 9.2 |
| Dividends | (10.8) |
| Sagem Monetel capital increase | 202.3 |
| Share-based payments and capital increase for SOP | 5.9 |
| Translation adjustment | (2.3) |
| Purchase of own shares | (7.2) |
| Oceane (redemption/conversion)* | 56.2 |
| Other | (1.3) |
| Net equity at June 30, 2008 | 447.9 |

*o.w. (€3.1m) of equity component on Oceane redemption

# Conclusion on financial statements

Very good performance for the first half:

- Very good operational performance given:
  Initial costs covering product convergence and commercial overlaps with an estimated total impact of €2-2.5m on the operating profit from ordinary activities
- Launch of the services business unit generating a loss in H1 2008 amounting to an estimated loss of €1m
- Lack of positive synergies in H1 2008, initial synergies beginning in H2 2008

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# Outlook and Conclusions

Philippe Lazare

# Outlook and conclusions

- A balanced international geographical presence that stands up well to regional slowdowns
- Integration under way that will generate future synergies, notably in manufacturing costs and R&D expenses
- A promising positioning focusing on offering profitable services
- A sound balance sheet and robust cash position allowing us to seize any new opportunities for targeted acquisitions

# The Group's objectives for 2008

- We confirm a sales growth target of between 7% and 10% despite commercial overlaps (at constant exchange rates)
- We confirm a target of operating profit from ordinary activities of between 12% and 13% of sales

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# Questions / Answers

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# THANK YOU